



Some Frequently Asked Proposition 34 Questions And Answers

By Staff of the Technical Assistance Division

The FPPC is adopting regulations to further clarify and implement provisions of Proposition 34. Campaign committees should check the FPPC's web site — or call for toll-free advice at 1-866-ASK-FPPC — for the specific language of the regulations and the Political Reform Act, and to receive the most up-to-date information.

Q. *Jane Martin is a candidate for Assembly. In January 2002, she makes a personal contribution (not a loan) of \$500,000 to her assembly campaign. What special filing obligations does Supervisor Martin incur?*

A. Ms. Martin must amend her Form 501, Statement of Intention, to show the date on which her personal contributions exceeded the expenditure limit (see Government Code section 85400). The amended Form 501 must be filed within 24 hours of the date she makes the contribution and sent by either personal delivery or guaranteed overnight mail to the Secretary of State. The Secretary of State will then make the information publicly available. This is the case whether the candidate accepts the voluntary expenditure limits or not. (FPPC Regulation 18542.)

Q. *Jane Martin, the candidate who contributed in excess of the expenditure ceiling in the question above, is running for the Democratic nomination in the primary. Will her \$500,000 contribution lift the expenditure ceiling for all*

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candidates running in the primary or only those on the Democratic ticket?

A. All candidates for that office are no longer subject to the expenditure ceilings regardless of their party. (Regulation 18543.)

Q. *Jane Martin has lost in the primary. Will the expenditure ceiling be restored for the general election or has her donation, made before the date of the primary, lifted those ceilings as well?*

A. Even though Jane Martin will not be a contender in the general election, her contribution has lifted the expenditure ceiling for all candidates in the general election. (Regulation 18543.)

Q. *Assemblymember Grace Messler has two committees: one for future reelection to the Assembly and one for a past election. She directed a \$3,000 contribution from one committee to a fellow assembly member's primary race and would like to contribute \$3,000 from her other committee to the assembly member's primary election. May she do this?*

A. No. Because Assemblymember Messler directs and controls the expenditures of the two committees, the two committees are considered affiliated entities under Government Code section 85311, and their contributions must be aggregated.

Q. *In January 2002, a candidate for Assembly, who has accepted the voluntary expenditure ceiling, purchases radio time for broadcasts specified in the contract to be aired in October 2002. How will she allocate this expenditure? Does it count against the \$400,000 limit for the primary election or against the \$700,000 ceiling for the general?*

A. The expenditure is allocated to the election following the broadcast which, in this case, is the general election. Even though the purchase was made before the primary election, since specific broadcast dates in October were purchased, the expenditure will be allocated to the general election limit. (Regulation 18540.)

Frequently Asked Questions And Answers On Transfers Under Proposition 34

By Staff of the Technical Assistance Division

The Political Reform Act was amended by Proposition 34, in part, to regulate contributions received by state candidates.

Government Code section 85306 permits certain transfers between a state candidate's committees for state elective office. Regulation 18536 was adopted by the Fair Political Practices Commission to clarify questions concerning such transfers.

The following are some of the most frequently asked questions regarding transfers of contributions:

Q. *A committee for state Assembly 2000 has debt and cash on hand. May the committee transfer cash on hand to a reelection committee for 2002?*

A. Even though the 2000 committee has debt, it may transfer any contributions received prior to January 1, 2001, to the 2002 reelection committee without attribution or limit.

Q. *A committee for state Senate 1998 had cash on hand as of January 1, 2001, and continued to raise contributions into the committee during 2001. May the committee transfer cash on hand to a reelection committee for 2002 and, if so, how is the transfer reported?*

A. Yes, the 1998 committee may transfer contributions into the committee for reelection. However, unlike funds raised prior to January 1, 2001, contributions raised on or after January 1, 2001, must be attributed to the committee's contributors when transferred to the reelection com-

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mittee and are subject to Proposition 34 limits. For contributions raised by the 1998 committee on or after January 1, 2001, the 2002 committee must report receipt of contributions transferred on Schedule A of the Form 460, itemize those contributions of \$100 or more from a single contributor and provide cumulative totals for the primary and general election. For contributions raised by the 1998 committee prior to 2001, for which no attribution is required when transferred, the 2002 committee should report the contributions received on Schedule I of the Form 460, as miscellaneous increases to cash.

Q. *Is the committee that receives a transfer required to verify the address, occupation, and employer of the contributor whose contribution is transferred to assure the information is up-to-date?*

A. No. The committee may simply provide the address, occupation, and employer information originally reported.

Q. *May an Assembly 2002 committee receive \$6,000 (\$3,000 for the primary and \$3,000 for the general) from a single contributor in the form of a contribution transfer?*

A. Yes.

Q. *How would a candidate's committee use the LIFO (Last In, First Out) method for transferring contributions?*

A. The committee making the transfer would start with the most recent contribution received and go back in reverse chronological order, transferring contributions up to the \$3,000 per source, per election limit. If another transfer is made after new contributions have been received into the transferring committee, the committee would then start with the most recent contribution that has not been transferred.

Q. *How would a candidate's committee use the FIFO (First In, First Out) method for transferring contributions?*

A. The committee making the transfer would start with the earliest contribution received and go forward chronologically.

Q. *A Senate 1998 committee has lawn signs and other non-monetary assets it would like to transfer to a 2002 reelection committee. How would the 1998 committee report transferring the assets to the 2002 committee, and how would the 2002 committee report receiving the assets?*

A. Assets transferred between a candidate's own committees for election to state office are not required to be reported by either committee; the transfers may be made without attribution or limit.

Q. *A Senate 1998 committee transferred a portion of the contributions it received on or after January 1, 2001, to the candidate's 2002 reelection committee using the LIFO method. The 1998 committee will transfer additional contributions next week. May the committee now use the FIFO method to attribute transfers?*

A. No. Once a committee has used one method, either LIFO or FIFO, to make transfers of contributions to a committee, all future transfers by that same committee must be made using the same method.

Q. *Must a major donor report on its statement that a previous contribution made was transferred to a new committee?*

A. No.

